

Various State Agencies
Located throughout Idaho
Various, ID 83701



Various State Agencies

THIS NUMBER MUST
APPEAR
ON ALL DOCUMENTS

Statewide Blanket Purchase
Order
SBPO1315

Statewide Blanket Purchase Order

DELIVER State of Idaho Various Agencies
TO: Various State Agencies
located throughout Idaho

Various, ID 83701
Mark.Little@adm.idaho.gov

Date: Mon May 11 2009

F.O.B: Destination

Terms: 0

VENDOR:
ePlus Group, Inc.
2740 Fulton Avenue, Suite 210
Sacramento, CA 95821
Attn: Account Executive
Emailed To: SBolden@eplus.com
Phone: 916 568-1555
Fax: 916 568-1590
Account Number: P00000058517

Start of Service Mon Jun 01, 2009
Date

Sat May 31, 2014

End of Service
Date:

RFQ#: ITB03397

DOC#: PREQ16059

File Attached:

- ☐ ITB03397_Attachment
1_Master_Lease_Agreement.doc
- ☐ img-420130959-0001.pdf
- ☐ ePlus Bid Schedule.pdf
- ☐ ePlus Response Redacted.pdf

Buyer: DIANE ROBINSON 208-332-1631

Item No	Description	Quantity UOM	Unit Price	EXTENSION
000	BLANKET PURCHASE AGREEMENT (line item particulars follow)	1 lot		1500000.00
	Total:			1500000.00
Blanket Comments:				
Item No	Description	Quantity UOM	Unit Price	EXTENSION
1	<p>FINANCIAL SERVICES - Master Lease Agreement for leasing of information technology items and related equipment. The Master Lease shall be a "true operating lease" and not a capital lease, installment purchase, or lease/purchase transaction.</p> <p>The dollar amount listed in the contract extension pricing is an estimate and cannot be guaranteed. The actual dollar amount of the contract may be more or less depending on the actual orders, requirements, or tasks given to the Contractor by the State or may be dependent upon the specific terms of the Contract.</p> <p>(946-54) (nt)</p>	1 EA	1500000.00	1500000.00

General Comments:	<p>Contract for Leasing of IT Equipment, for the benefit of State of Idaho Agencies, institutions, and departments and eligible political subdivisions or public agencies as defined by Idaho Code, Section 67-2327. The term of the Master Contract is for the period of five (5) years with two (2) optional renewal periods of two (2) years each, upon mutual agreement between the parties. The Division of Purchasing or the requisitioning agency will issue individual releases (delivery or purchase orders) against this Contract on an as needed basis.</p> <p>Contract Title:..... Leasing of Information Technology Equipment Contract Usage Type:.....Mandatory Use Public Agency Clause:Yes Contract Administration:.... Diane Robinson ---Phone Number:.....208-332-1631 ---E-Mail:.....diane.robinson@adm.idaho.gov</p> <p>Contractor's Primary Contact ---Attn:.....SJeanay W. Bolden --Address:.....2740 Fulton Avenue, Suite 210 ---City, State, Zip:.....Sacramento, CA 95821-5187 Phone Number:..... 916-568-1555 Facsimile:..... 916-568-1590 E-Mail:..... sbolden@EPLUS.com</p> <p>CONTRACTOR: Ship to the FOB DESTINATION point and BILL DIRECTLY to the ORDERING AGENCY. DO NOT MAIL INVOICES TO THE DIVISION OF PURCHASING. Notating the Contract Award Number on any invoices/statement will facilitate the efficient processing of payment.</p>	
	Instructions:	
	Freight / Handling Included in Price	
	By: DIANE ROBINSON	

Attachment 1
ITB03397

SPECIAL TERMS AND CONDITIONS
for
IT MASTER LEASE AGREEMENT (“Master Agreement”)

The following Special Terms and Conditions - Master Lease Agreement (“Master Agreement”) are in addition to the State’s STANDARD CONTRACT TERMS AND CONDITIONS (as described herein).

INCORPORATION OF TERMS AND CONDITIONS: The State’s STANDARD CONTRACT TERMS AND CONDITIONS, subject to the excluded paragraphs herein listed, are hereby incorporated by reference into this Master Agreement as if set forth herein in their entirety. The State’s STANDARD CONTRACT TERMS AND CONDITIONS are located on the Internet at <http://www2.state.id.us/adm/purchasing>. If you are unable to access the Internet, a copy of the State’s CONDITIONS AND INSTRUCTIONS TO BIDDERS and the State’s STANDARD CONTRACT TERMS AND CONDITIONS may be obtained by contacting the Division of Purchasing at 208-327-7465. The following numbered paragraphs from the State’s STANDARD CONTRACT TERMS AND CONDITIONS are excluded from this Master Agreement:

Paragraphs 1 (Termination), 17 (Risk of Loss), 22 (Government Regulations), 23 (Hot Goods), and 25 (Patents and Copyright Indemnity). In the event of any conflict between the Special Terms and Conditions of this Master Agreement and any other provisions in the State’s STANDARD CONTRACT TERMS AND CONDITIONS, the Special Terms and Conditions of this Master Agreement will govern.

Definitions.

Asset(s). All of the personal property, including hardware, software or licensed products, services, and/or maintenance listed on any Schedule.

Asset Unit Cost Value. The original purchase price for the Asset (as paid by Lessor).

Casualty Value. The Casualty Value for any Asset shall be the amount necessary to reimburse the Lessor upon an Event of Loss. The Casualty Value at any point during the Schedule Term shall be the applicable Casualty Value Percentage multiplied by the Asset Unit Cost Value as shown on the Schedule.

Commencement Date. The date(s) Lessee’s obligation to pay Rent begins, which will be the acceptance date for each Asset.

Fiscal Period. The period July 1 through June 30, unless otherwise stated on a Schedule.

Initial Schedule Term. The period initially agreed to constitute the lease period as set forth in the Schedule.

Lessor. The entity awarded a leasing contract in response to the state of Idaho’s Request for Proposal, and its permitted successors and assigns.

Lessee. For purposes of this Master Agreement, the state of Idaho, by and through its statutory agent, the Division of Purchasing within the Department of Administration. For purposes of a Schedule, a State Agency, Public Agency, and its permitted successors and assigns.

Manufacturer. The manufacturer of the Asset to be leased under this Master Agreement.

Public Agency. Means any city or political subdivision of the state of Idaho, including, but not limited to counties, school districts, highway districts, port authorities, and instrumentalities of counties, cities, or any political subdivision created under the laws of the state of Idaho, but excluding State Agencies.

Renewal Schedule Term. Any period subsequent to the Initial Schedule Term.

Rent. The payment by Lessee to Lessor of money for the lease of the Asset(s) covered by the Schedule.

Schedule. The document specifying the Asset(s), Rent payments, Casualty Values, Lessor’s costs and other information.

Schedule Term. For each Schedule shall include the Initial Schedule Term and any Renewal Schedule Terms.

State. State of Idaho.

State Agency. Any State level government department, division, bureau, board, commission, or institution, including State level offices of elected officials and the State level legislative and judicial branches of state government.

Vendor. The manufacturer or provider of the Asset as well as the agents or dealers of the manufacturer or contractor to whom Lessee has issued an order for all or any portion of the Asset.

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- 1. Rent Factor Determination.** The Rent applicable to each Schedule shall be based upon multiplying the Lessor's Lease Rate Factor (Rate Factor) by the Asset Unit Cost Value shown on the Schedule. Rent for any executed Schedule shall be firm and unchanging for the Schedule Term. Beginning with the first quarter following the execution of this Master Agreement, but no more than quarterly thereafter, the interest component of the Rate Factor may be adjusted. The adjustment will be based upon the percentage change in the Three (3) Year Treasury Bill rate as shown in the Wall Street Journal as of the first business day of the month prior to the execution date of this Master Agreement to the first business day of the month prior to the date of the applicable Schedule. Subsequent quarterly adjustments during the term of this Master Agreement will use a similar procedure and calculation method.
- 2. Schedules.** Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, subject to the terms and conditions of this Master Agreement, the Assets described in each Schedule that is executed pursuant to this Master Agreement. Each Schedule shall be substantially in the form of Attachment 1, attached hereto. Subject to the provisions of this Master Agreement, the parties may amend or add Schedules at any time prior to the expiration or termination of this Master Agreement. When "Assets" refers to software licensed to Lessee it shall be understood that the software shall continue to be owned by licensor as set forth in the applicable software license agreement. Each Schedule constitutes a separately assignable agreement between the parties and is deemed to and shall incorporate in full the terms and conditions of this Master Agreement. Each Schedule may also include other similar terms and conditions upon which the Lessee and the Lessor agree, provided, however, that such Schedule shall not, under any circumstances, include any term that is inconsistent with the terms of this Master Agreement.
- 3. Term of Master Agreement and Schedules.** The term of this Master Agreement shall commence on the execution date and shall continue for a five (5) year period. Upon mutual agreement of the parties, this Master Agreement may be renewed or extended for two (2) additional two (2) year periods. The Initial Schedule Term shall be as set forth in each Schedule. Any period subsequent to the Initial Schedule Term is a "Renewal Schedule Term." The sum of all Renewal Schedule Terms for a single Schedule shall not exceed one (1) year. Notwithstanding anything in this Master Agreement to the contrary, in no event shall the initial term of any Schedule (i) have a duration of less than twelve (12) months, (ii) have a duration of greater than sixty (60) months, or (iii) commence after the expiration or termination of this Master Agreement. The terms and conditions of this Master Agreement shall apply for the full term of any Schedule, even after the expiration of the Master Agreement. Lessor shall provide two (2) notices to Lessee: (i) at ninety (90) calendar days before the end of the applicable Schedule Term that the Schedule Term is ending and (ii) at forty (40) calendar days before the end of the applicable Schedule Term that the Schedule Term is ending. Lessee must provide Lessor with thirty (30) calendar day's prior written notice of intent to renew or extend the term of the Schedule. If notice is not provided as required, each Schedule shall be at an end and all of the Assets on the Schedule shall be made available by Lessee at a state-designated location ready for packaging, pick up, and removal from the premises by Lessor, at Lessor's expense. Upon mutual written agreement between the parties, a Schedule may continue at the Rent last in effect, for successive one -month terms beyond the expiration of the Initial Schedule Term. With respect to any Schedule, the total of all Renewal Schedule Terms shall not exceed one (1) year.
- 4. Rent; Non-Abatement; Late Payments.** As Rent for the Assets, Lessee shall pay Lessor the amounts due as listed in each Schedule no later than the 10th day of each month for the prior month. Rent payments will commence the first month following the Commencement date. Interim Rent shall not be permitted. Each Schedule is a net lease and except as specifically provided herein, Lessee shall be responsible for all costs and expenses arising in connection with the Schedule or Assets. Lessee acknowledges and agrees, subject to Section 5 or except for cases of non-appropriation of funds, that its obligation to pay Rent and other sums payable, and the rights of Lessor and Lessor's assigns, shall be absolute and unconditional in all events, and shall not be subject to any abatement, reduction set-off, defense, counterclaim or recoupment due or alleged to be due by reason of any past, present or future claims Lessee may have against Lessor, the manufacturer, vendor, or maintainer of the Assets, Lessor's assigns, or any person for any reason whatsoever. On all amounts not paid by Lessee when due, late charges shall accrue at the rate of five percent (5%) of the Rent per month (or the maximum rate allowable by law, if less) commencing ten (10) calendar days from the date due and shall be paid for the period through the date the late payment is made.

5. Acquisition, Selection; Acceptance. Information technology hardware from current or future information technology contracts, as well as individual State Agency or Public Agency bids or purchases may be placed on a Schedule. The State also intends to use existing statewide information technology hardware contracts for its primary source of hardware to be rented under this Master Agreement. The principal hardware contracts to be used by the State are listed on the State's web site (Statewide Contracts & Price Agreements – <http://www2.state.id.us/adm/purchasing/stwrecap.htm> under the Computers & Peripherals-Including WSCA Contracts Description column), although other contracts, in addition to those listed, may also be used. Lessee shall issue its own order to the Manufacturer or Vendor of its choice for the Assets to be leased under this Master Agreement. Such order will contain instructions that upon Acceptance of the Asset by Lessee, full payment by the Lessor to the Vendor of the invoiced purchase price of the Asset will be made. The Lessor shall then promptly effect payment of the invoice in accordance with its terms and deliver to Lessee reasonably satisfactory evidence of such payment.

If the full invoice purchase price for any such Asset is not paid to the Manufacturer or Vendor, upon notification of Acceptance by the Lessee, the Lessee shall have the absolute right, in its discretion, without waiving or releasing any other rights it may have, (i) to make such payment to the manufacturer or vendor, whereupon all of the Lessor's right in and title to such Asset shall automatically vest in Lessee, and (ii) to withhold any Rent payment, and/or (iii) to terminate this Master Agreement or any Schedule and all of the Lessee's obligation to such Asset. The Assets are of a size, design, capacity and manufacture selected by Lessee in its sole judgment and not in reliance on the advice or representations of Lessor. Neither the manufacturer nor the vendor is an agent of Lessor. Promptly upon delivery, Lessee will inspect the Assets, and, not later than ten (10) business days thereafter, Lessee will execute and deliver either (i) an Acceptance Certificate for the Assets (in substantially the same form as Attachment B attached hereto) to the Lessor, or (ii) written notification of any defects in the Assets to the Manufacturer or Vendor. Lessor and Lessee agree that ten (10) business days is a reasonable opportunity to inspect the Assets. Lessee shall execute an Acceptance Certificate only for Assets accepted, including partial deliveries of Assets.

6. Warranties: Assignment, Quiet Enjoyment and Disclaimer, Indemnity.

(a) Each Schedule is a "finance lease" as defined by the Uniform Commercial Code and provided there is no Default (as defined herein) or the Schedule has not otherwise been terminated, Lessor hereby assigns to Lessee all assignable warranties applicable to the Assets.

(b) Provided there is no Default by Lessee under this Master Agreement or any Schedule, Lessor will not interfere with Lessee's quiet use and enjoyment of the Assets.

(c) EXCEPT FOR THE PROVISIONS OF 6(b) ABOVE, WITH REGARD TO THE ASSETS, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING WITHOUT LIMITATION: THOSE OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE, OF CONDITION, PERFORMANCE, SUITABILITY OR DESIGN, OR CONFORMITY TO ANY LAW, RULE, REGULATION, AGREEMENT OR SPECIFICATION, OR WITH REGARD TO INFRINGEMENT OF ANY PATENT, TRADE SECRET, TRADEMARK, COPYRIGHT OR OTHER INTANGIBLE PROPERTY RIGHT.

7. Installation; Use; Alterations; Repair and Maintenance.

(a) Lessee shall provide a place of installation that conforms to the requirements of the Manufacturer or Vendor.

(b) Subject to the terms hereof, Lessee shall be entitled to unlimited use of the Assets except that software use shall be in accordance with the terms and conditions of the applicable software license. Lessee shall not use or permit the use of the Assets for any purpose for which, according to the specifications of the manufacturer, the Assets are not designed or reasonably suited. Lessee shall use the Assets in a careful and proper manner and shall comply with all of the manufacturer's instructions, governmental rules, regulations, requirements and laws, with regard to the use, operation or maintenance of the Assets.

(c) Upon Lessor's prior written consent, Lessee may make alterations or improvements (the "Improvements") to the Assets which increase the quality, value and capacity of the Assets, provided, however, Lessee shall, immediately upon installing the Improvements, pass title to such Improvements to Lessor free and clear of all liens

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and encumbrances. Provided, however, that no consent is required for routine software updates, regular maintenance or minor modifications/repairs which do not decrease the value of the Asset.

(d) Lessee shall be solely responsible for the delivery, installation, maintenance and repair of the Assets. During the Schedule Terms, Lessee shall (i) keep the Assets in good repair, condition and working order; and (ii) permit access to the Assets for installation of engineering changes required to maintain the Assets at the Manufacturer's current engineering levels.

8. Ownership; Inspection; Relocation; Personal Property. The Assets shall at all times be and remain the sole and exclusive property of Lessor, subject to the parties' rights under any applicable software license(s). Lessee shall have no right, title or interest in the Assets outside of the leasehold interest created by this Master Lease and any Schedule. Lessee agrees that the Lessor is authorized, at its option, to file financing statements or amendments thereto without the signature of Lessee with respect to any or all of the Assets. If a signature is required by law, then the Lessee agrees to sign and deliver to Lessor any financing statements reasonably requested by Lessor with respect to the Assets. Lessor shall be responsible for all fees related to the filing of such financing statements. Lessor, its assigns or their agents shall, upon ten (10) calendar days prior written notice to Lessee, be permitted free access at reasonable times during Lessee's regular business hours to inspect the Assets. Lessee shall at all times keep the Assets within its exclusive possession and control. Upon Lessor's prior written consent, which shall not be unreasonably withheld, Lessee may move the Assets to another location of Lessee within the continental United States. Lessee agrees that the Assets shall be and remain personal property and shall not be so affixed to realty as to become a fixture or otherwise to lose its identity as the separate property of Lessor. Lessor may affix labels or markings to the Assets indicating Lessor's ownership therein. Lessee shall keep all equipment free from any marking or labeling that might be interpreted as a claim of ownership by Lessee or any other party (other than Lessor).

9. Liens; Taxes. Lessee shall at its expense keep the Assets free and clear of all levies, liens, and encumbrances, except those in favor of Lessor or its assigns. Throughout the Schedule Term, Lessee shall declare and pay all license fees, registration fees, and charges related to the Assets, excluding any taxes based or measured solely on Lessor's net income. Any personal property taxes assessed upon the Lessor's ownership of the Assets shall be paid by Lessor, but upon presentation of satisfactory evidence of payment, will be reimbursed by Lessee. Lessee is hereby appointed attorney-in-fact of Lessor solely to declare, file and pay all of the aforementioned amounts when due and owing for any period assessed while Lessee is in possession of the Assets.

10. Risk of Loss. Commencing upon delivery and continuing throughout the Schedule Term, Lessee shall bear the entire risk of loss with respect to any Asset damage, destruction, loss, theft, or governmental taking, whether partial or complete. No event of loss shall relieve Lessee of its obligation to pay Rent under any Schedule. If any Asset is damaged, Lessee shall promptly notify Lessor and at Lessee's expense, within sixty (60) days of such damage, cause to be made such repairs as are necessary to return such item to its previous condition. In the event any Assets are destroyed, damaged beyond repair, lost, stolen, or taken by governmental action for a stated period extending beyond the term of any Schedule (an "Event of Loss"), Lessee shall promptly notify Lessor and pay to Lessor, on the next Rent payment date following such Event of Loss, an amount equal to the Casualty Value for the Asset suffering the Event of Loss then in effect as set forth on the Schedule. After payment of such Casualty Value and all Rent due and owing at the time of such casualty, Lessee's obligation to pay further Rent allocable to the Asset which suffered the Event of Loss shall cease. After receipt of such Casualty Value and all rents due and owing, or any other recovery received, the Assets for which such Casualty Value was received shall be conveyed to Lessee **AS IS, WHERE IS** and free and clear of all liens and encumbrances created by or arising through Lessor, but otherwise **WITHOUT FURTHER WARRANTY (EXPRESS OR IMPLIED) WHATSOEVER, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE.**

11. Insurance. Lessee, at its expense, shall maintain insurance as required by this Master Lease in an amount not less than the Casualty Value of the Assets. All insurance policies shall be with insurers having a Best's rating of AV or better and be licensed in Idaho. Such insurance policies shall apply to any State Agency Schedules executed under this Master Agreement (but excluding those Schedules applicable to Public Agencies). Upon written request from Lessor, Lessee, for State Agencies, through its Office of Insurance Management within the state of Idaho's Department of Administration, shall furnish Lessor with either (i) a certificate of insurance executed

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by a duly authorized representative of each insurer, or (ii) verification of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect. Upon Lessor's written request, Lessee shall promptly provide Lessor with a copy of the insurance policy. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Lessor may choose to maintain. All certificates shall provide for thirty (30) days' written notice to Lessor prior to cancellation or material change of any insurance referred to therein. No insurance shall be subject to any co-insurance clause. Such insurance shall include property insurance, written on an "all risks" or equivalent form, which covers damage to the kinds of Assets covered by the Schedule, and in the amounts equal to the Casualty Values shown in the Schedule. If not covered within the property policy, a Comprehensive Crime policy, covering loss by theft of property or by acts of dishonesty for the Lessee's officers or employees, will be included.

12. Surrender of Assets. On the last day of the Schedule Term or on any earlier termination date as provided herein, Lessee shall make available for retrieval by Lessor the Assets in good repair, condition and working order, ordinary wear and tear alone excepted, at the state-designated location. Lessee at its sole cost and expense shall be responsible for de-installation to protect confidentiality of the data on the equipment, preparation for removal, consolidation, and placement at a state-designated pick-up location. Lessor shall then be responsible for packaging, pickup and removal of the Assets upon five (5) business days prior written notice. If Lessee fails to make the equipment available for de-installation as provided in this Section, the Lessor may assess Rent in accordance with the most recent applicable Schedule. If the Lessor assesses any additional Rent under this Section, the Lessor shall prorate the Rent for the time period during which the Lessee fails to make the equipment available to Lessor for packaging, pickup, and removal from Lessee's premises. Lessor shall arrange for, insure, and pay for packaging and removal of the Assets from Lessee's facility, provided that if Lessor fails to retrieve any equipment within thirty (30) calendar days after expiration of the term on the associated schedule, Lessee may, in its sole discretion either: (a) transport the equipment to a storage facility, or (b) transport such Assets to Lessor's nearest facility. Lessor shall be obligated to reimburse Lessee for all costs and expenses associated with storage and/or transportation of the Assets. Each Asset returned shall be the Whole Unit. Whole Units shall be defined as follows: (i) Servers consisting of CPUs and or processors, server cabinets, memory, base disk drives, expanded disk storage, storage controllers, network controllers, graphics cards, power supplies, cables, tapes drives and external devices to include disk subsystems, optical systems, additional tape drives, manuals, etc. (ii) Personal Computers and/or Desktops consisting of the CPU, memory, hard drives, monitor, modems, CD ROM, diskettes drives, Ethernet cards, keyboards, manuals, etc. (iii) Printers consisting of base printer, cables, memory, trays, etc. (iv) Laptops consisting of memory, hard drives, modems, CD ROM, diskettes drives, Ethernet cards, manuals, etc., and (v) Individual Hubs and Routers consisting of all internal devices. All copies of operating software which were pre-loaded on the Assets when delivered to Lessee or included in the Schedule shall be made available to Lessor at the conclusion of the Schedule Term. Lessee shall further take all actions reasonably required to transfer Lessee's rights under all software licenses to Lessor, to the extent permitted by such license, including, but not limited to, destroying all additional copies of such software and certifying the same to the best of its knowledge to Lessor. Lessee shall, at its expense, cause each returned Asset to be repaired as necessary to qualify for maintenance by the manufacturer and to contain all current manufacturer-prescribed engineering changes. This Section shall not derogate from Lessor's right, to be exercised in its sole discretion, to obtain return of all Assets on the last day of any Schedule Term, or to declare a Default for any failure of Lessee to so return the Assets.

13. Representations, Covenants. Lessee makes the following representations and covenants concerning this Master Agreement and applicable Schedules: (a) The Lessee is a public body corporate and politic and is authorized by the Constitution and laws of the state of Idaho to carry out its obligations under this Master Agreement and applicable Schedules; (b) this Master Agreement and applicable Schedules have been duly authorized, executed, and constitute a valid, legal and binding agreement, enforceable in accordance with their terms; (c) No approval, consent or withholding of objection is required from any governmental authority with respect to the entering into or performance by the Lessee of this Master Agreement and Applicable Schedules and the transactions contemplated thereby; (d) The entering into and performance of the Lease will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or on the Asset(s) subject to this Master Agreement and Applicable Schedules pursuant to any instrument to which the Lessee is a party or by which it or its assets may be bound; (e) Lessee has complied with any applicable public bidding requirements in connection with this Master Agreement and Applicable Schedules and the transactions contemplated thereby; (f) The Asset(s) are personal property and when subject to use by the Lessee will not be or become fixtures under the law of the state of Idaho; and (g) There are no actions, suits or proceedings pending or to our knowledge, threatened against or affecting the Lessee in any court or before any governmental commission,

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board or authority which, if adversely determined, will have a material, adverse effect on the ability of the Lessee to perform its obligations under this Master Agreement and Applicable Schedules.

14. Default and Remedies.

(a) The occurrence of any of the following events shall constitute a default ("Default") under a Schedule: (i) Lessee fails to make any Rent payment or any other amount payable to Lessor pursuant to any Schedule when due and such nonpayment continues for a period of ten (10) business days after written notice of such nonpayment by Lessor to Lessee; (ii) the failure by Lessee to perform or observe any other term, covenant or condition of this Master Agreement, any Schedule, or any applicable software license agreement, which is not cured within ten (10) days after written notice thereof from Lessor; (iii) insolvency by Lessee; (iv) Lessee's filing of any proceedings commencing bankruptcy, or the filing of an involuntary petition against Lessee, or the appointment of any receiver not dismissed within sixty (60) days from the date of said filing or appointment; (v) the subjection of a substantial part of Lessee's property or any part of the Assets to any levy, seizure, assignment or sale for or by any creditor or governmental agency; or (vi) if any representation or warranty made by Lessee in this Master Agreement, an applicable Schedule, or in any document furnished by Lessee to Lessor in connection therewith or with the acquisition or use of the Assets shall be untrue in any material respect.

(b) Upon the occurrence of a Default and at any time thereafter, Lessor may, in its sole discretion, do any one or more of the following: (i) By written notice to Lessee, terminate the affected Schedules; (ii) Proceed by appropriate court action to enforce the performance of the terms of the Schedule and/or recover damages; (iii) Whether or not the Schedule is terminated, upon written notice to Lessee, take possession of the Assets wherever located, without further demand, liability, court order or other process of law, and for such purposes Lessee hereby authorizes Lessor, its assigns or the agents of either to enter upon the premises where such Assets are located or cause Lessee, and Lessee hereby agrees, to return such Assets to Lessor in accordance with the requirements of Section 12; (iv) By notice to Lessee, to the extent permitted by law, declare immediately due and payable and recover from Lessee, as liquidated damages and not as a penalty, the sum of (a) the Casualty Value set forth on the Schedule as of the date of default, or if Casualty Values are not shown on such Schedule, all Rent due during the remainder of the Schedule Term; (b) all Rent and other amounts due and payable on or before the date of Default; (c) costs, fees (including reasonable attorney fees and court costs), and expenses; and (d) interest on (a) and (b) from the date of Default at 1 1/2% per month or portion thereof (or the highest rate allowable by law, if less) and on (c) from the date Lessor incurs such fees, costs or expenses.

(c) Upon return or repossession of the Assets, Lessor shall use reasonable commercial efforts to sell, re-lease or otherwise dispose of such Assets in such manner and upon such terms as Lessor may determine in its sole discretion. In the event Lessor is unable (pursuant to the conditions of any applicable software license agreement or otherwise) to relicense any software included in the Assets, Lessee waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, license or otherwise use any software in mitigation of Lessor's damages or which may otherwise limit or modify any of Lessor's rights or remedies. Upon disposition of the Assets, Lessor shall credit the Net Proceeds (as defined below) to the damages paid or payable by Lessee. Proceeds upon sale of the Assets shall be the sale price paid to Lessor less the Casualty Value in effect as of the date of Default. Proceeds upon a re-lease of the Assets shall be all rents to be received for a term not to exceed the remaining Schedule Term, discounted to present value as of the commencement date of the re-lease at the Lessor's current applicable debt rate. "Net Proceeds" shall be the proceeds of sale or re-lease as determined above, less all costs and expenses incurred by Lessor in the recovery, storage and repair of the Assets, in the remarketing or disposition thereof, or otherwise as a result of Default, including any court costs and attorney fees and interest on the foregoing at eighteen percent (18%) per annum (or the highest rate allowable by law, if less), calculated from the dates such costs and expenses were incurred until received by Lessor. Lessee shall remain liable for the amount by which all sums, including liquidated damages, due from Lessee exceed the Net Proceeds. Net Proceeds in excess thereof are the property of and shall be retained by Lessor.

(d) No termination, repossession or other act by Lessor in the exercise of its rights and remedies upon a Default shall relieve Lessee from any of its obligations hereunder. No remedy referred to in this Section is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity.

SPECIAL TERMS AND CONDITIONS – IT MASTER LEASE AGREEMENT

15. Effect of Waiver; Substitute Performance by Lessor. No delay or omission in exercising any right or remedy accruing to Lessor upon any breach or default of Lessee shall impair any such right or remedy or be construed to be a waiver of any such breach or default, nor shall any waiver of any single breach or default be construed to waive or impair Lessor's rights and remedies with respect to any subsequent breach. Any waiver, permit, consent or approval on the part of Lessor, of any breach or default under this Master Agreement or any Schedule, or of any provision or condition hereof, must be in writing and shall be effective only to the extent such writing specifically sets forth. Should Lessee fail to make any payment or do any act as herein provided, Lessor shall have the right, but not the obligation, and without releasing Lessee from any obligation hereunder, to make or do the same. All sums so incurred or expended by Lessor shall be immediately due and payable by Lessee and shall bear interest at eighteen percent (18%) per annum (or the highest rate allowable by law, if less), calculated from the date incurred until received by Lessor.

16. Assignment by Lessor; Assignment or Sublease by Lessee. Lessor may, following written approval and consent by the Administrator, Division of Purchasing, which consent will not be unreasonably withheld, (i) assign all or a portion of Lessor's right, title and interest in this Master Agreement and/or any Schedule; (ii) grant a security interest in the right, title and interest of Lessor in this Master Agreement, any Schedule and/or any Assets; and/or (iii) sell or transfer its title and interest as owner of any Assets and/or as Lessor under any Schedule. Prior to effecting any assignment the Lessor shall provide to the Lessee and the Administrator, Division of Purchasing, a duplicate counterpart of the Assignment agreement disclosing the name, address, social security number or tax identification number, and instructions regarding to whom Rent payments should be sent. The assignee's right to payment shall be subject to all the terms of this Master Agreement and/or Schedule, including, but not limited to, the State's right to terminate or suspend this Master Agreement or Schedule and the Rent payments hereunder. Lessee further understands and agrees that Lessor's assigns, following written approval and consent by the Administrator, Division of Purchasing, which consent will not be unreasonably withheld, may each do the same (hereunder collectively "Assignment"). The Assignment shall not result in the issuance of certificates of participation with respect to Rent payments to be made hereunder. All such Assignments shall be subject to Lessee's rights under the assigned Schedule. Lessee acknowledges that the assigns do not assume Lessor's obligations hereunder and agrees to make all payments owed to the assigns without abatement and not to assert against the assigns any claim, defense, setoff or counterclaim which the Lessee may possess against the Lessor or any other party for any reason. Upon any such Assignment, all references to Lessor shall also include all such assigns, whether specific reference thereto is otherwise made herein. Lessor and Lessee acknowledge and agree that no Assignment shall be deemed to materially change Lessee's duties or obligations or materially increase the burden of risk imposed on Lessee hereunder. Without the prior written consent of Lessor, Lessee shall not assign, sublease, transfer, pledge or hypothecate this Master Agreement, any Schedule, the Assets, any part thereof, or any interest in the foregoing. Any attempted assignment in a manner other than as provided in this Section will be null and void.

17. Audit Rights. The Lessor agrees to allow State and federal auditors and State Agency staff access to all the records relating to this Master Agreement and Schedules for audit, inspection, and monitoring of services or performance. Such access will be during normal business hours or by appointment.

18. Administrative Fee. The Rent to be paid by the State agencies (including Public Agencies) shall be the Rate Factors bid by the Lessor (plus or minus any quarterly adjustments) plus one and one-quarter percent (1.25%). The additional percentage shall represent the State's contract usage administrative fee. No less than quarterly, the Lessor shall remit to the State through its Division of Purchasing, an amount equal to the one and one-quarter percent (1.25%) of the Lessor's quarterly Rent revenue from Schedules (for State agencies) executed under this Master Agreement.

19. Payments – Purchasing Card. Rent payments for Schedules under this Master Agreement may be made by State Agencies using the State's MasterCard Purchasing Card (Pcard). Lessee understands an additional 2% fee will be added to all monthly payments made with a P-Card.

20. Reports. The Lessor is required to establish a relational database or other Rent revenue tracking system from which quarterly reports can be produced and furnished to the State's Division of Purchasing. For each Schedule executed under this Master Agreement, the Lessor will be required to submit (preferably in electronic format) reports with at least the following minimum information:

SPECIAL TERMS AND CONDITIONS – IT MASTER LEASE AGREEMENT

- A. Usage reports by State or Public Agency, indicating at a minimum the Schedule number, periodic (month, quarterly, etc.) gross Rent amount received, and Rent payment date.
- B. Custom reports that may be requested from time to time by the State's Division of Purchasing.

The Lessor shall provide the reports promptly, prior to the last day of the month following the end of a calendar quarter, to the State's Division of Purchasing. Subsequent reports will be due on each quarterly anniversary thereafter. The State's Division of Purchasing and the Lessor will mutually agree upon the report format.

21. Miscellaneous.

(a) Notices. Notices shall be conclusively deemed to have been received by a party hereto on the day it is delivered to such party at the address first given above (or at such other address as such party shall specify to the other party in writing) or, if sent by certified mail, on the third business day after the day on which mailed. All notices must be in writing and signed by the party issuing such notice in order to be valid.

(b) Applicable Law and Disputes. This Master Agreement and each Schedule **SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) OF THE STATE OF IDAHO.** In the event of a dispute between the parties, suit shall be brought in the state courts of Idaho, County of Ada.

(c) Counterparts. Only one original of each Schedule shall be marked "Original." Any and all other copies shall be marked "Copy". NO SECURITY INTEREST IN ANY OF THE SCHEDULE(S) MAY BE CREATED, TRANSFERRED, ASSIGNED OR PERFECTED BY THE TRANSFER AND POSSESSION OF THIS MASTER AGREEMENT ALONE OR ANY "COPY" OF A SCHEDULE, BUT RATHER SOLELY BY THE TRANSFER AND POSSESSION OF THE "ORIGINAL" OF THE SCHEDULE INCORPORATING THIS MASTER AGREEMENT BY REFERENCE.

(d) Suspension of Obligations of Lessor. Prior to delivery of any Assets, the obligations of Lessor hereunder shall be suspended to the extent that it is prevented from performing because of causes beyond its control.

(e) Severability. In the event any provision of this Master Agreement or any Schedule shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the parties hereto agree that such provision shall be ineffective without invalidating the remaining provisions thereof.

(f) Entire Agreement. Lessor and Lessee acknowledge that there are no agreements or understandings, written or oral, between them with respect to the Assets, other than as set forth in this Master Agreement and in each Schedule and that this Master Agreement and each Schedule contain the entire agreement between Lessor and Lessee. Neither this Master Agreement nor any Schedule may be altered, modified, terminated, or discharged except by a writing signed by the party against whom enforcement of such action is sought.

Attachment A

**Asset Schedule
to
Master Agreement**

THIS SCHEDULE is entered into between the undersigned Lessee and Lessor pursuant to the IT Master Lease Agreement for SBPO0xxx ("Master Agreement"). All terms and conditions of the Master Agreement are incorporated herein and made a part of hereof, and unless otherwise specified, the terms used in this Schedule shall have the same meaning as defined in the Master Agreement. In the event of conflict between the provisions of the Master Agreement and this Schedule, the provisions of this Schedule will govern.

By its signature below, Lessee represents it has read, understands and agrees to the Terms and Conditions of the Master Agreement identified above and the provisions of this Schedule.

Lessee and Lessor, by signature of their duly authorized representatives, execute this Schedule pursuant to the Master Agreement.

LESSOR:

**LESSEE: State of Idaho
<Agency Name>>**

BY: _____

BY:

NAME: _____

NAME:

TITLE: _____

TITLE:

DATE: _____

DATE:

1. INITIAL LEASE TERM.

The period from and including the Commencement Date for each Asset to and including the last day of the month in which the Commencement Date for the last Asset delivered hereunder has occurred, plus _____ months (not to exceed 60 months) thereafter.

2. RENT.

Due on the 10th day of the month immediately following the Commencement Date: payment of Rent in the amount specified below.

Applicable Lease Rate Factor: _____

Rent Payment*: _____ monthly for _____ months (not to exceed 60 months)

* Rent Payment equals Lease Rate Factor multiplied by Asset Unit Cost Value

3. ASSET LOCATION.

Equipment Location:

4. ASSET DESCRIPTION.

SPECIAL TERMS AND CONDITIONS – IT MASTER LEASE AGREEMENT

<u>Qty.</u>	<u>Manufacturer</u>	<u>Model/Feature</u>	<u>Description</u>	<u>Asset Unit Cost Value**</u>
10 ea	Sample Mfr	123/Example	Widget with accessories	\$1,234,567.89

**Provided solely for the purposes of calculating proportional Casualty Values.

5. CASUALTY VALUES.

The Casualty Value for any Asset shall be the product of the Casualty Value percentage set forth below multiplied by the Asset Unit Cost Value set forth in Section 4 of this Schedule. If no Asset Unit Cost Value is given for an Asset, its Casualty Value and the proportional Rent calculations for the purposes of Section 9 of the Master Agreement shall be based on the ratio of the original purchase price for that Asset (as paid by Lessor) to the original purchase price for all Asset(s) on the Schedule. The below percentages apply from the Rent payment period listed beside the percentage to the next listed Rent payment period.

<u>Rent Pmt#</u>	<u>C.V. %</u>	<u>Rent Pmt#</u>	<u>C.V. %</u>	<u>Rent Pmt#</u>	<u>C.V. %</u>
1	109.00	20	93.04		
2	108.16	21	92.20		
3	107.32	22	91.36		
4	106.48	23	90.52		
5	105.64	24	89.68		
6	104.80	25	88.84		
7	103.96	26	88.00		
8	103.12	27	87.16		
9	102.28	28	86.32		
10	101.44	29	85.48		
11	100.60	30	84.64		
12	99.76	31	83.80		
13	98.92	32	82.96		
14	98.08	33	82.12		
15	97.24	34	81.28		
16	96.40	35	80.44		
17	95.56	36	79.60		
18	94.72	37-60			
19	93.88				

6. FISCAL PERIOD. _____ to _____

Attachment B

CERTIFICATE OF ACCEPTANCE

Certificate of Acceptance under Schedule No. «SNO» dated as of «SNODATE» to Master Agreement No. «CNO» dated as of «CNODATE» (collectively, the "Lease") between _____ ("Lessor") and <<State of Idaho, Department of _____>> ("Lessee").

1. Asset(s). Lessee certifies that the Asset(s) listed in the above-mentioned Schedule (or detailed below if less than all Assets on a Schedule) have been delivered to the location(s) set forth in the Schedule, inspected by the Lessee, found to be in good order and accepted, all on the Date of Acceptance set forth below:

Date of Acceptance: _____, 20_____

2. Representations by the Lessee. Lessee represents and warrants to the Lessor that on the Date of Acceptance set forth above:

- (a) the representations and warranties of the Lessee set forth in the Schedule are true and correct in all material respects as though made on and as of such Date of Acceptance;
- (b) the Lessee has satisfied or complied with all requirements set forth in the Master Agreement or Schedule to be satisfied or complied with on or prior to such Date of Acceptance; and
- (c) no Default under this Schedule has occurred and is continuing on such Date of Acceptance.

LESSEE: State of Idaho, Department of _____

BY _____

NAME _____

TITLE _____

INVOICING INFORMATION FORM

Please help us provide a more efficient service to you by completing the information requested below and returning this form to us along with the Schedule, Acceptance Certificate, and any other necessary documentation.

Agency Name: _____

Billing Address: _____

Attn: _____

Accounts Payable Contact: Name _____
 Phone (____) _____ E-mail _____

Accounts Payable Supervisor: Name _____
 Phone (____) _____ E-mail _____

Federal Tax ID Number: _____

Lease Number or Purchase Order No. _____

* If lease payment will lessee use P-Card: Yes____ No ____
Lessee will be charged a 2% fee on each billing.

Special Invoicing Requirements:

Invitation to Bid

ITB03397

Master Lease Agreement for Information Technology Equipment

Amendment #1

The following are additions, changes, and modifications to ITB03397 and are incorporated into and are made part of ITB03397.

NOTE: Bid Closing Date will be April 28, 2009

NOTE: ITB03397 – Page 6 *Note: all payments made with the State's P-Card will incur an additional 2% charge per payment.

NOTE: Attachment 1 – ITB03397 – Item 3 - Change from 36 to 60 months;
Item 19 - add "Lessee understands an additional 2% fee will be added to all monthly payments made with a P-Card."

NOTE: Attachment A – 1. changed to read: "(not to exceed 60 months)". 2. changed to read "(not to exceed 60 months)". 5. Extended monthly payments to 60.

NOTE: Invoicing Information Form – added * If lease payment will lessee use a P-Card? Yes ☐ No ☐
There will be an additional 2% charge added on each monthly payment.

Please download new version of ITB and Attachment 1 with this amendment.

There are no other changes.



Diane Robinson, C.P.M.

Purchasing Officer

I acknowledge that I have received and read this Amendment, and that failure to return a signed copy of this Amendment with my bid will result in my bid being found non-responsive.

Name of Supplier:

Signature of Authorized Agent:

Bruce M. Bowen, President

Printed Name:

Bruce M. Bowen

Date:

4-24-09



Bid Schedule

INVITATION TO BID (ITB03397)

BID SCHEDULE

Rent Rate Factor bid shall be based upon a factor per thousand dollars (\$1,000.00)

Note: Rent Rate Factors quoted on this Bid Schedule will be firm and fixed for all Schedules executed against the Master Agreement one hundred twenty (120) days after the bid opening. After award of this bid and after the initial one hundred twenty (120) day period following the bid opening (and each quarterly period thereafter), the interest component of the Rate Factor for subsequently executed Schedules will be adjusted as provided in the Master Agreement.

Schedule Time Period ==>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>4 Years</u>	<u>5 Years</u>
Schedule Dollar Volume Monthly Arrears Payment Rent Factor*					
\$0 - \$100,000	<u>.073548</u> /mo.	<u>.041638</u> /mo.	<u>.030260</u> /mo.	<u>.024156</u> /mo.	<u>.020444</u> /mo.
\$100,000 - \$750,000	<u>.071817</u> /mo.	<u>.040743</u> /mo.	<u>.029642</u> /mo.	<u>.023914</u> /mo.	<u>.020444</u> /mo.
Over \$750,000	<u>.070087</u> /mo.	<u>.040295</u> /mo.	<u>.029333</u> /mo.	<u>.023672</u> /mo.	<u>.020444</u> /mo.
Schedule Dollar Volume Quarterly Arrears Payment Rent Factor					
\$0 - \$100,000	<u>.221878</u> /1/4 yr.	<u>.125590</u> /1/4 yr.	<u>.091251</u> /1/4 yr.	<u>.072850</u> /1/4 yr.	<u>.061674</u> /1/4 yr.
\$100,000 - \$750,000	<u>.216657</u> /1/4 yr.	<u>.122889</u> /1/4 yr.	<u>.089389</u> /1/4 yr.	<u>.072122</u> /1/4 yr.	<u>.061674</u> /1/4 yr.
Over \$750,000	<u>.211436</u> /1/4 yr.	<u>.121539</u> /1/4 yr.	<u>.088458</u> /1/4 yr.	<u>.071393</u> /1/4 yr.	<u>.061674</u> /1/4 yr.
Schedule Dollar Volume Semi-Annual Advance Payment Rent Factor					
\$0 - \$100,000	<u>.432310</u> /1/2 yr.	<u>.244631</u> /1/2 yr.	<u>.175882</u> /1/2 yr.	<u>.141572</u> /1/2 yr.	<u>.119383</u> /1/2 yr.
\$100,000 - \$750,000	<u>.422138</u> /1/2 yr.	<u>.239371</u> /1/2 yr.	<u>.174069</u> /1/2 yr.	<u>.140157</u> /1/2 yr.	<u>.119383</u> /1/2 yr.
Over \$750,000	<u>.411966</u> /1/2 yr.	<u>.236740</u> /1/2 yr.	<u>.172256</u> /1/2 yr.	<u>.138741</u> /1/2 yr.	<u>.119383</u> /1/2 yr.
Schedule Dollar Volume Annual Advance Payment Rent Factor					
\$0 - \$100,000	<u>.850000</u> /yr.	<u>.475556</u> /yr.	<u>.345439</u> /yr.	<u>.277191</u> /yr.	<u>.232895</u> /yr.
\$100,000 - \$750,000	<u>.830000</u> /yr.	<u>.470386</u> /yr.	<u>.341878</u> /yr.	<u>.274419</u> /yr.	<u>.232895</u> /yr.
Over \$750,000	<u>.810000</u> /yr.	<u>.465217</u> /yr.	<u>.338317</u> /yr.	<u>.271647</u> /yr.	<u>.232895</u> /yr.

*NOTE: All payments made with the State's P-Card will incur an additional 2% charge per payment.

This page must be completed by the bidder and returned with all other required bid documents.



INVITATION TO BID (ITB03397)

VENDORS BUSINESS NAME ePlus Group, inc.

Name of Person Bidding Bruce M. Bowen

Signature of Person Bidding  Date 24 April, 2009

Address 13595 Dulles Technology Drive City Herndon ST VA

Zip Code 20171-3413

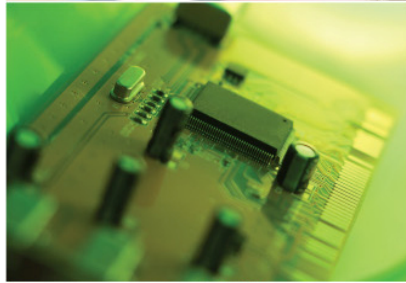
Phone number (703) 984-8400 Fax number (703) 984-8600

Contact Information:

ePlus Group, inc.
2740 Fulton Avenue
Suite 210
Sacramento, CA 95821-5187

Attention:

SJeanay W. Bolden
Phone: 916-568-1555
Email: Hsbolden@eplus.com



Response to:



ITB03397

Leasing of Information Technology
Equipment

April 28, 2009

e⁺



April 24, 2009

Ms. Diane Robinson, Purchasing Officer
State of Idaho, Division of Purchasing
650 West State Street
Boise, ID 83720-0075

Re: State of Idaho ITB03397

Dear Diane,

On behalf of ePlus Group, inc., I am pleased to submit the following leasing services proposal in response to the above mentioned Invitation to Bid issued by the State of Idaho.

Our proposal is based on the terms and conditions as set forth in the ITB and other documents incorporated by reference therein. Final terms and conditions will be subject to mutually agreeable documentation and will be established during negotiations with the State of Idaho pursuant to the ITB.

Lessor:	ePlus Group, Inc. or its assigns ("Lessor")
Lessee:	The State of Idaho including the State's agencies, departments and institutions ("Lessee")
Assets:	Information Technology (IT) hardware, software, associated maintenance, and related information technology services, herein referred to as the "assets", including, but not limited to, personal computers and peripherals, mini and mainframe computers, networking equipment (principally CISCO), and associated services related to these items (maintenance, installation, configuration, etc.).
Initial Lease term:	The term of the Master Lease Agreement shall commence (a) upon award of ITB 03397; (b) fully executed contract documents; and continue for a five (5) year period with options, upon mutual agreement, to extend the Master Lease Agreement (and the ability to execute additional Schedules) for two (2) additional two (2) year periods. A Schedule will have an initial term of at least twelve (12) months, but not more than sixty (60) months, each Schedule beginning with acceptance of the Asset(s) listed on the Schedule.
Asset Acquisition Procedures:	ePlus acknowledges the State's asset acquisition procedures outlined in the ITB. Upon acceptance of the Assets within fourteen (14) days, ePlus shall remit payment in full to the State's selected equipment supplier provided ePlus is in receipt of a valid equipment supplier invoice AND a fully executed certificate of acceptance of the Assets.



- Lease Rates:** The Lease Rate once scheduled and contracted, will remain fixed for the duration of the Initial Term. See Bid Schedule attached.
- Lease Payment:** Lease payments for any executed Schedule shall be firm and unchanging for the Schedule Term and in the amounts set forth in the Schedule document.
- Rental Adjustment:** Pursuant to the execution of a Master Lease Agreement and issuance of the State's Blanket Purchase Order (SBPO), beginning with the period following the one hundred twenty (120) days after bid opening, but no more than quarterly thereafter, the Rate Factor may be adjusted in order to maintain Lessor's originally anticipated rate of return if (i) based upon the percentage change in the Three (3) year Treasury Bill rate as shown in the Wall Street Journal; (ii) Lessee fails to deliver documentation as requested by the Lessor; (iii) the Asset(s) cannot be acquired by the Lessor at a cost equal to the invoice cost specified on the Schedules. Subsequent quarterly adjustments during the term of this Master Agreement will use a similar procedure and calculation method.
- Lease Documentation:** IT Master Lease Agreement ("Master Agreement") including any mutually negotiated supplemental terms and conditions; and executed schedules pursuant to the Master Agreement.
- Net Lease:** The Lessee will be responsible for the payment of all taxes (other than on the Lessor's net income), insurance (unless self insured and approved by the Lessor), maintenance and all other costs in connection with the Assets and their operation. Lessee will retain all rights and warranties granted by any Supplier and/or any manufacturer.

Please indicate your acceptance of this proposal by executing the enclosed copy of this letter and returning it to me. Thank you for the opportunity to respond to this ITB. We look forward to continuing the business relationship we have had over the last eight years. If you should have any questions or require further information, please do not hesitate to contact your Account Manager, SJeanay Bolden at 916-568-1555 or the undersigned below at 919-767-2965.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Bland', written over a light blue grid background.

Steve T. Bland
Muni Business Manager

A handwritten signature in blue ink, appearing to read 'SJeanay Bolden', written over a light blue grid background.

SJeanay Bolden
Account Executive

**Proposal Acceptance**

Lessee accepts the above terms and conditions this _____ day of _____, 2009. Following notification of the acceptance of our proposal, we will contact you immediately to coordinate any additional negotiations for this contract. We very much appreciate the opportunity to work with you.

The State of Idaho

By: _____

Name: _____

Title: _____



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Herndon, VA 20171
703.984.8400
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CONFIDENTIALITY STATEMENT

All information contained within this document is confidential and proprietary to ePlus. This document has been prepared specifically for sole use of the State of Idaho. All rights, title, and interest in and to the information are and shall remain the sole and exclusive property of ePlus. It is not to be used, copied, scanned, distributed, or disclosed without the written permission of ePlus.

PROPOSAL VALIDITY PERIOD

Initial Rate Factors bid in this proposal are valid for one hundred and twenty (120) days from the bid due date of April 28, 2009, unless otherwise amended in writing by ePlus.

14.1 ePlus Company Information

ePlus is a public company with over 18 years of growth in the IT/Leasing industry. Since 1990, we have established more than 30 locations in the United States, nearly 650 employees, serviced more than 2,500 customers and sold, procured or financed over \$2 Billion in equipment for these customers. ePlus Group has automated its own core leasing and business processes to provide the following Value Added Services to our customers: IT Lifecycle Services, Strategic Sourcing, Staging/Imaging/Configuration services, OneSource™ Web-based Ordering Automation, Leasing/Financial Services, LAN/WAN/Wireless/IPT/Security/NOC advanced services, and IT Consulting.



Business Overview

Through continuous investment in internal technology and the acquisition of strategic technologies, ePlus has constructed a world-class solution to meet the needs of commercial, municipal, educational, and federal government customers. Simply stated, ePlus has the financial resources and vision to deliver the best business services and solutions available in the market.

Locations



National Headquarters

ePlus Group, inc.
13595 Dulles Technology Drive
Herndon, VA 20171
Phone: 703-984-8400
Fax: 703-984-8600
www.eplus.com

[List of all ePlus Locations/Offices](#)

Organization Structure and Resumes

Bruce M. Bowen is an executive officer of ePlus inc., having served on the board since our founding. He is the founder and President of ePlus Group, inc. Prior to ePlus, formerly MLC Group, Mr. Bowen managed the Government Division of PacifiCorp Capital, Inc., which had annual revenues of over \$150 million. Mr. Bowen has financed over \$2.5 billion in leased assets over the span of his 25+ year career in the leasing industry. Mr. Bowen received both his B.S. in Finance and his M.B.A. from the University of Maryland, is an active member of many industry organizations and has previously been President of the Association of Governmental Leasing and Finance.

Steve Bland, Senior Account Executive/Muni Business Manager is a 20+ year veteran with ePlus, specializing in the leasing and financing of IT assets for public sector and commercial clients. Mr. Bland will be responsible for executive level interaction and problem escalation.

Phone: (919) 767-2965

Fax: (919) 767-2995

Email: sbland@eplus.com

SJeanay W. Bolden, Account Manager, is quite familiar with the State of Idaho's leasing transactions having been the key point of contact for the past several years. Since June of 1985, she has worked alongside the founding principals of ePlus, developing her skills in the leasing industry. She has been



instrumental in closing more than 150 financing transactions with various State and local government jurisdictions. As Account Executive, she is responsible for account development and management in the public sector market in the western region. She will be responsible for overall account management including, but not limited to initial relationship establishment, management of documentation and negotiation, executive level interaction, publishing quarterly rate adjustments, problem resolution, sales and service for all State of Idaho lease transactions.

Phone: (916) 568-1555

Fax: (916) 568-1590

Email: sbolden@eplus.com

Administrator –ePlus has a dedicated group of employees who will be led by the Account Manager to provide the State with the highest level of service. The team will be responsible for the day-to-day operations, which includes processing daily orders, reconciling/processing invoices and handling any issues with the customers that may arise.

Administrator	End of Lease Management
Sandra Lewis Phone: (703) 984-8172 Fax: (703) 984-8772 Email: slewis@eplus.com	Kim Hartley Phone: (703) 984-8102 Fax: (703) 984-8702 Email: khartley@eplus.com



14.2 Previous Experience

**CONFIRMATION ONLY
DO NOT DUPLICATE**

14.3 Reliability in Terms of Available Capital Resources

In addition to the company information outlined above, a copy of our annual report is available at:
http://www.eplus.com/Web/Brochures/2008_ePlus_Annual_Report_FINAL.pdf

Partnerships

ePlus maintains high level relationships with the industry's leading manufacturers, allowing us to offer an array of options to best suit your needs. We provide procurement for a multitude of products (including software, hardware and printers) as well as networking products (such as servers, hubs, routers and switches) with nationwide reach for sales and service. *Our IT Fulfillment services include:* Networking – Computers – Printers – Accessories/Peripherals – Storage/Tape Libraries – Backup Power Software – Projectors – PDAs – Memory.

ePlus' Mission Statement: *To be the Leading Provider of IT and Process Automation Solutions to Improve the Bottom Line Performance of our Customers.*

ePlus Leasing Services

With more than 15 years of experience in the leasing and asset based financing business, ePlus has the experience, systems, and capital to lease most [types of equipment](#). From negotiating documents and selecting equipment, to vendor performance management and the end-of-lease process, we understand the importance of automating the lease process to reduce costs and increase information transparency. We offer a unique combination of [software](#), [business process services](#), and [financial services](#) to deliver these benefits.

Leasing is used by more than 75% of U.S. companies and [hundreds of ePlus customers](#). It is easy to understand why leasing is so widely used:

- **Preserve Your Borrowing Capacity.** Certain types of leases may not be considered to be long-term debt or liabilities on your balance sheet, preserving your borrowing capacity with other types of lenders.
- **Obtain 100+ percent financing.** Most leases finance 100% of the equipment cost plus installation, software, and leasehold improvements, allowing you to acquire the use of more equipment and/or preserving cash.
- **Customized and flexible solutions.** A variety of lease types are available, such as capital leases, operating leases, or TRAC leases, and can be tailored to meet your specific business requirements, such as a cyclical business cycle, near term budget constraints, etc. Some leases may offer the ability to terminate early, or renew at pre-agreed rates.
- **Total lifecycle management.** ePlus assumes the risk of ownership, and applies its best practices to the acquisition, ownership, and disposition cycles. In effect, you have outsourced equipment risk to ePlus.
- **Transaction Processing.** Once automated by ePlus, the equipment acquisition and leasing process can be entirely online and automated, making the equipment selection, acquisition, and payment processes easy.
- **Flexible end of lease options.** ePlus offers several end-of-lease options to smooth the transition of needed or surplus equipment.

These are just a few of the advantages of leasing. Leasing with ePlus offers even more **benefits**:

Leverage Competitive Rates and Flexible Options – ePlus provides competitive rates on a wide range of transaction structures and equipment types, including IT, office, capital, and transportation equipment. Each transaction and lease line can be tailored to meet the individual needs of your enterprise. Leasing gives your company a high level of flexibility in managing your IT capabilities.

Mitigate the Risk of Owning Equipment – Transfer the risk of ownership through pre-negotiated lease and finance options, automated and integrated into your existing business practices.

Customized Billing and Electronic Invoice Presentment and Payment – We can generate invoices to meet your requirements, such as by cost center, serial number, business unit, etc. In addition, we can provide invoices electronically and allow you to pay electronically to reduce transaction costs.

Online Catalogs – We can create customized, online catalogs for electronic ordering. This ensures that you are ordering the right equipment, at the right price, from pre-approved vendors, and eliminates rogue or maverick purchasing. It also ensures data integrity for asset management, risk management, and reporting purposes.

Pre-approved Lease Lines of Credit – Based on your credit and anticipated equipment needs, we can pre-negotiate and pre-approve a lease line of credit to provide assurance that you can order equipment when needed.

Simplified Documentation – We provide flexible "Ordering Periods", which can range from days to months that allow you to order equipment when you need it. At the end of the Ordering Period, we place the equipment on one or more lease schedules, reducing paperwork and complexity.

Progress Payments – Have complex equipment that requires vendor progress payments during the build cycle? ePlus can make the payments on your behalf and start the lease payment obligation when the equipment is delivered.

Asset Management – ePlus provides asset management software, [Manage+](#), to allow you to view asset-unit level information. Many customers upgrade to the full version to manage all of their corporate assets, not just those on lease with ePlus. During the term of the Agreement, ePlus can provide and maintain (including software enhancements) its Manage+ Web-enabled asset management database and related application software and services, including customer set up and training. ePlus shall cause detailed asset information from orders placed on lease to be loaded into Manage+. Such software will provide detailed asset information to enable the Lessee to proactively manage its fixed asset base.

End of Lease Management – ePlus can assist with the remarketing of your assets. We can recycle, dispose, and handle all the major logistics of the transaction. In addition, ePlus Technology offers a number of [technology services](#) to complement the process. Included in the lease rate is the service of packaging, pickup at a single location of all assets from a schedule, and timely removal of the Assets from the State location. Returned off lease assets must be in good repair, condition and working order, ordinary wear and tear alone excepted. Lessee at its sole cost and expense shall be responsible for asset cleansing, de-installation, preparation for removal, consolidation and placement at a single location.

Vendor Independent Lessor – ePlus is a nationally recognized reseller of hundreds of major brands of technology equipment. If you are seeking to finance IT equipment, leasing from a vendor-independent lessor rather than a manufacturer's captive can offer freedom of choice and be more closely aligned with your business objectives.

Additional Information

Proposed IT Master Lease Modifications:

State of Idaho SBPO 169 dated July 5, 2001 (“Agreement”) by and between ePlus Group, inc. (“Lessor”) and the State of Idaho (“Lessee”) included executed Modification No.1 to streamline the process of establishing a Schedule to the Master Agreement. ePlus proposes to use the State’s Attachment A in form and substance and anticipates the same process will be used pursuant to a new IT Master Lease Agreement with ePlus Group, inc.

Bid Schedule

INVITATION TO BID (ITB03397)

BID SCHEDULE

Rent Rate Factor bid shall be based upon a factor per thousand dollars (\$1,000.00)

Note: Rent Rate Factors quoted on this Bid Schedule will be firm and fixed for all Schedules executed against the Master Agreement one hundred twenty (120) days after the bid opening. After award of this bid and after the initial one hundred twenty (120) day period following the bid opening (and each quarterly period thereafter), the interest component of the Rate Factor for subsequently executed Schedules will be adjusted as provided in the Master Agreement.

Altering or adding to this form will render Proposer's proposal non-responsive and no further evaluation will occur.

Schedule Time Period ==>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>4 Years</u>	<u>5 Years</u>
Schedule Dollar Volume Monthly Arrears Payment Rent Factor*					
\$0 - \$100,000	<u>.073548</u> /mo.	<u>.041638</u> /mo.	<u>.030260</u> /mo.	<u>.024156</u> /mo.	<u>.020444</u> /mo.
\$100,000 - \$750,000	<u>.071817</u> /mo.	<u>.040743</u> /mo.	<u>.029642</u> /mo.	<u>.023914</u> /mo.	<u>.020444</u> /mo.
Over \$750,000	<u>.070087</u> /mo.	<u>.040295</u> /mo.	<u>.029333</u> /mo.	<u>.023672</u> /mo.	<u>.020444</u> /mo.
Schedule Dollar Volume Quarterly Arrears Payment Rent Factor					
\$0 - \$100,000	<u>.221878</u> /1/4 yr.	<u>.125590</u> /1/4 yr.	<u>.091251</u> /1/4 yr.	<u>.072850</u> /1/4 yr.	<u>.061674</u> /1/4 yr.
\$100,000 - \$750,000	<u>.216657</u> /1/4 yr.	<u>.122889</u> /1/4 yr.	<u>.089389</u> /1/4 yr.	<u>.072122</u> /1/4 yr.	<u>.061674</u> /1/4 yr.
Over \$750,000	<u>.211436</u> /1/4 yr.	<u>.121539</u> /1/4 yr.	<u>.088458</u> /1/4 yr.	<u>.071393</u> /1/4 yr.	<u>.061674</u> /1/4 yr.
Schedule Dollar Volume Semi-Annual Advance Payment Rent Factor					
\$0 - \$100,000	<u>.432310</u> /1/2 yr.	<u>.244631</u> /1/2 yr.	<u>.175882</u> /1/2 yr.	<u>.141572</u> /1/2 yr.	<u>.119383</u> /1/2 yr.
\$100,000 - \$750,000	<u>.422138</u> /1/2 yr.	<u>.239371</u> /1/2 yr.	<u>.174069</u> /1/2 yr.	<u>.140157</u> /1/2 yr.	<u>.119383</u> /1/2 yr.
Over \$750,000	<u>.411966</u> /1/2 yr.	<u>.236740</u> /1/2 yr.	<u>.172256</u> /1/2 yr.	<u>.138741</u> /1/2 yr.	<u>.119383</u> /1/2 yr.
Schedule Dollar Volume Annual Advance Payment Rent Factor					
\$0 - \$100,000	<u>.850000</u> /yr.	<u>.475556</u> /yr.	<u>.345439</u> /yr.	<u>.277191</u> /yr.	<u>.232895</u> /yr.
\$100,000 - \$750,000	<u>.830000</u> /yr.	<u>.470386</u> /yr.	<u>.341878</u> /yr.	<u>.274419</u> /yr.	<u>.232895</u> /yr.
Over \$750,000	<u>.810000</u> /yr.	<u>.465217</u> /yr.	<u>.338317</u> /yr.	<u>.271647</u> /yr.	<u>.232895</u> /yr.

***NOTE: All payments made with the State's P-Card will incur an additional 2% charge per payment.**

This page must be completed by the bidder and returned with all other required bid documents.



INVITATION TO BID (ITB03397)

VENDORS BUSINESS NAME ePlus Group, inc.

Name of Person Bidding Bruce M. Bowen

Signature of Person Bidding _____ Date 24 April, 2009

Address 13595 Dulles Technology Drive City Herndon ST VA

Zip Code 20171-3413

Phone number (703) 984-8400 Fax number (703) 984-8600